MONTANA LEGISLATIVE HISTORY

Chapter 498 19 83

Bill H 592 S _____ Original bill & history X C

H. Committee on BUSINESS & INDUSTRY

Hearing Date(s) 2/8 X C
& EXEC ACTION _____ C
_____ C
_____ C
Date Out _____ C

S. Committee on BUSINESS & INDUSTRY

Hearing Date(s) 3/11 X C
EXEC. ACTION 3/17 X C
_____ C
_____ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

TRANSMITTED TO SENATE: 2/22/83
REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES: 3/1/83
HEARING: 3/14/83
REPORT: 3/23/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/25/83, BE CONCURRED IN, AS AMENDED AYES: 49; NAYS: 0
3RD READING: 03/28/83 AYES: 35; NAYS: 12

RETURNED TO HOUSE WITH AMENDMENTS: 03/28/83
2ND READING: 04/01/83, BE CONCURRED IN AYES: 80; NAYS: 3
3RD READING: 04/04/83, BE CONCURRED IN AYES: 90; NAYS: 3

TRANSMITTED TO GOVERNOR: 04/13/83
SIGNED: 04/15/83, CHAPTER 521

HB 592 -- KITSELMAN, HARPER, YARDLEY -- TO GENERALLY REVISE THE MONTANA INSURANCE CODE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; AMENDING ....

INTRODUCED: 02/01/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/01/83
HEARING: 2/8/83
REPORT: 02/08/83, DO PASS
2ND READING: 02/10/83, DO PASS AYES: 80; NAYS: 3
3RD READING: 02/12/83, DO PASS AYES: 90; NAYS: 7

TRANSMITTED TO SENATE: 02/12/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/12/83
HEARING: 3/11/83
REPORT: 03/19/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/23/83 AYES: 50; NAYS: 0
3RD READING: 03/25/83 AYES: 46; NAYS: 3
RETURNED TO HOUSE WITH STATEMENT OF INTENT 3/25/83
2ND READING: 03/31/83, BE ADOPTED AYES: 86; NAYS: 2
3ND READING: 04/01/83, BE ADOPTED AYES: 83; NAYS: 0

TRANSMITTED TO GOVERNOR: 04/12/83
SIGNED: 04/14/83, CHAPTER 498

HB 593 -- FAGG, HANNAH, SANDS, ET AL. -- TYING THE RATE OF INTEREST CHARGED ON CERTAIN STATE TAXES THAT ARE DUE BUT UNPAID TO THE ADJUSTED PRIME RATE; AMENDING ....

INTRODUCED: 02/01/83
REFERRED TO COMMITTEE ON TAXATION: 02/01/83
HEARING: 2/17/83
REPORT: 02/17/83, DO PASS, AS AMENDED
2ND READING: 02/19/83, DO PASS AYES: 94; NAYS: 3
3RD READING: 02/22/83, DO PASS AYES: 92; NAYS: 5

TRANSMITTED TO SENATE: 2/22/83
REFERRED TO COMMITTEE ON TAXATION: 3/1/83
HEARING: 3/8/83
DIED IN SENATE COMMITTEE

HB 594 -- HEMSTAD, HALLIGAN, NEUMAN, ET AL. -- GRANTING MEMBERS OF THE MONTANA NATIONAL GUARD AND THE MONTANA HOME GUARD A $100 TAX CREDIT; AND PROVIDING AN APPLICABILITY DATE.

INTRODUCED: 02/01/83

REFERRED TO COMMITTEE ON TAXATION: 02/01/83
HEARING: 2/15/83
REPORT: 03/12/83, DO NOT PASS
OBJECTION: 3/14/83
REFERRED TO COMMITTEE ON TAXATION: 03/17/83
DIED IN COMMITTEE

HB 595 -- SPAETH -- TRANSFERRING THE DUTY TO EXAMINE ARTICLES OF INCORPORATION OF PROPOSED DOMESTIC INSURERS FROM THE ATTORNEY GENERAL TO THE STATE COMMISSIONER OF INSURANCE; AMENDING ....
BY REQUEST OF: THE DEPARTMENT OF JUSTICE

INTRODUCED: 02/01/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/01/83
HEARING: 2/11/83
REPORT: 02/11/83, DO PASS
2ND READING: 02/14/83, DO PASS AYES: 89; NAYS: 0
3RD READING: 02/16/83, DO PASS AYES: 97; NAYS: 1

TRANSMITTED TO SENATE: 2/16/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/17/83
HEARING: 3/24/83
REPORT: 3/24/83, BE CONCURRED IN
2ND READING: 03/26/83 AYES: 48; NAYS: 0
3RD READING: 03/28/83 AYES: 47; NAYS: 0

RETURNED TO HOUSE: 3/28/83

TRANSMITTED TO GOVERNOR: 04/01/83
SIGNED: 04/05/83, CHAPTER 373

HB 596 -- KADAS, NISBET, NEUMAN, ET AL. -- PROVIDING THAT BOARDS OF COUNTY COMMISSIONERS, AFTER NOTICE AND HEARING, MAY DETERMINE THE NUMBER AND TERM OF OFFICE OF MEMBERS ON APPOINTED BOARDS AND COMMISSIONS THAT PROVIDE LOCAL GOVERNMENT SERVICES, INCLUDING THE COUNTY MUSEUM BOARD, PARK BOARD, FAIR COMMISSION, WEED BOARD, MOSQUITO CONTROL BOARD, CEMETERY DISTRICT, TAX APPEAL BOARD, LIBRARY BOARD, BOARD OF HEALTH, PLANNING BOARD, PLANNING AND ZONING COMMISSION, ZONING COMMISSION, AND BOARD OF ADJUSTMENT; AMENDING ....

INTRODUCED: 02/01/83
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 02/01/83
HEARING: 2/14/83
REPORT: 02/15/83, DO PASS, AS AMENDED
2ND READING: 02/18/83, DO PASS AYES: 56; NAYS: 40
3RD READING: 02/22/83, DO PASS AYES: 61; NAYS: 37

TRANSMITTED TO SENATE: 2/22/83
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 3/1/83
HEARING: 3/17/83
REPORT: 03/21/83, BE NOT CONCURRED IN. REPORT ADOPTED.
BILL KILLED

HB 597 -- SCHYE, ETCHART -- TO APPROPRIATE UP TO $48,000 TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR THE PURPOSE OF ADMINISTERING A GRANT TO THE CITY OF GLASGOW AND VALLEY COUNTY JOINTLY FOR A CITY-COUNTY WATER PROJECT.

INTRODUCED: 02/01/83

HOUSE BILL NO. 592

INTRODUCED BY KITSELMAN, HARPER, YARDLEY

IN THE HOUSE

February 1, 1983	Introduced and referred to Committee on Business and Industry.
February 8, 1983	Committee recommend bill do pass. Report adopted.
February 9, 1983	Bill printed and placed on members' desks.
February 10, 1983	Second reading, do pass.
February 11, 1983	Considered correctly engrossed.
February 12, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 12, 1983	Introduced and referred to Committee on Business and Industry.
March 19, 1983	Committee recommend bill be concurred in. Report adopted.
	Statement of Intent attached.
March 23, 1983	Second reading, concurred in.
March 25, 1983	Third reading, concurred in. Ayes, 46; Noes, 3.

IN THE HOUSE

March 25, 1983	Returned to House with Statement of Intent.

March 31, 1983	Second reading, Statement of Intent concurred in.
April 1, 1983	Third reading, Statement of Intent concurred in.
	Sent to enrolling.
	Reported correctly enrolled.

HOUSE BILL NO. 592

INTRODUCED BY [signature]

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE MONTANA INSURANCE CODE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; AMENDING SECTIONS 33-20-202 THROUGH 33-20-204, 33-20-206, 33-20-207, 33-20-211, AND 33-20-212, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-20-202, MCA, is amended to read:

"33-20-202. Nonforfeiture provisions. (1) In the case of policies issued on or after the operative date of this part as defined in 33-20-213, no policy of life insurance, except as set forth in 33-20-212, shall be delivered or issued for delivery in this state unless it shall contain in substance the following provisions or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering policyholder as are the minimum requirements specified in this section and are essentially in compliance with [section 9]:

(a) that in the event of default in any premium payment after premiums have been paid for at least 1 full year, the insurer will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date of such ~~value~~ amount as may be specified in this part. In lieu of such stipulated paid-up nonforfeiture benefit, the company may substitute, upon proper request not later than 60 days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit that provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits.

(b) that upon surrender of the policy within 60 days after the due date of any premium payment in default after premiums have been paid for at least 3 full years in the case of ordinary insurance and 5 full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be specified in this part;

(c) that a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than 60 days after the due date of the premium in default;

(d) that if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became

effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the insurer will pay, upon surrender of the policy within 30 days after any policy anniversary, a cash surrender value of such amount as may be specified in this part;

(e) for a policy that has on a basis guaranteed in the policy unscheduled changes in benefits or premiums or that provides an option for changes in benefits or premiums other than a change to a new policy, a statement of the mortality table, interest rate, and method used in calculating cash surrender values and the paid-up nonforfeiture benefits available under the policy. For each other policy a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary, either during the first 20 policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy;

(f) a statement that the cash surrender values and the

paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of this state;

(g) an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy;

(h) if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and

(i) a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

(2) Any of the provisions or portions thereof set forth in subsections (a) through (i) which are not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy. The insurer shall reserve the right to defer the payment of any cash surrender value for a period of 6 months after demand

therefor with surrender of the policy."

Section 2. Section 33-20-203, MCA, is amended to read:

"33-20-203. Cash surrender value -- paid-up nonforfeiture benefit -- life. (1) ~~Any~~ Except as provided in subsection (2), any cash surrender value available under the policy in the event of default in the premium payment due on any policy anniversary, whether or not required by 33-20-202, shall be an amount not less than the excess, if any, of the present value on such anniversary of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions if there had been no default, over the sum of:

(a) the then present value of the adjusted premiums as defined in [33-20-204 through 33-20-207 and section 6], corresponding to premiums which would have fallen due on and after such anniversary; and

(b) the amount of any indebtedness to the insurer on account of or secured by the policy.

(2) For any policy issued on or after the operative date of [section 6] that provides supplemental life insurance or annuity benefits at the option of the insured and for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value referred to in subsection (1) is an amount not less than the sum of the cash surrender value as defined in subsection (1)

for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value as defined in subsection (1) for a policy that provides only the benefits otherwise provided by such rider or supplemental policy provision.

~~(2)~~(3) Any cash surrender value available within 30 days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefits, whether or not required by 33-20-202, shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the insurer on account of or secured by the policy.

~~(3)~~(4) Any paid-up nonforfeiture benefit available under the policy in the event of default in the premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this part in the absence of the conditions that premiums shall have been paid for at least a specified period.

(5) For any family policy issued on or after the

operative date of [section 6] that defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse reaches 71 years of age, the cash surrender value referred to in subsection (1) is an amount not less than the sum of the cash surrender value as defined in subsection (1) for an otherwise similar policy issued at the same age without such term insurance on the life of the spouse and the cash surrender value as defined in subsection (1) for a policy that provides only the benefits otherwise provided by such term insurance on the life of the spouse."

Section 3. Section 33-20-204, MCA, is amended to read:

"33-20-204. Adjusted premium. (1) This section does not apply to policies issued on or after the operative date of [section 6].

~~(2)~~(2) (a) Except as provided in subsection ~~(2)~~(3), the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding extra premiums on a substandard policy, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of:

(i) the then present value of the future guaranteed benefits provided for by the policy;

(ii) 2% of the amount of the insurance if the insurance

be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with the duration of the policy;

(iii) 40% of the adjusted premium for the first policy year;

(iv) 25% of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less.

(b) In applying the percentages specified in subsections (iii) and (iv) above, no adjusted premiums shall be deemed to exceed 4% of the amount of insurance or uniform amount equivalent thereto.

(c) Whenever the plan or term of a policy has been changed, either by request of the insured or automatically in accordance with the provisions of the policy, the date of inception of the changed policy for the purposes of determining a nonforfeiture benefit or cash surrender value shall be the date as of which the age of the insured is determined for the purposes of the changed policy. The date of issue of a policy for the purposes of this subsection shall be the date as of which the rated age of the insured is determined.

(d) (i) In the case of a policy providing an amount of

insurance varying with the duration of the policy, the equivalent uniform amount thereof for the purpose of the preceding subsections (a) and (b) shall be deemed to be the uniform amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy.

(ii) In the case of a policy for a varying amount of insurance issued on the life of a child under age 10, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age 10 were the amount provided by such policy at age 10.

~~(2)~~(3) (a) The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (i) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (ii) the adjusted premiums for such term insurance.

(b) The foregoing items (a)(i) and (a)(ii) being calculated separately and as specified in subsection ~~(1)~~ (2)

except that, for the purposes of (ii), (iii), and (iv) of subsection ~~(1)~~ (2), the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (a)(ii) of this subsection shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a)(i) of this subsection."

Section 4. Section 33-20-206, MCA, is amended to read:

"33-20-206. Mortality tables -- policies issued after operative date. (1) This section does not apply to ordinary policies issued on or after the operative date of [section 6].

~~(1)~~(2) In the case of ordinary policies issued on or after the operative date of this section as defined herein, all adjusted premiums and present values referred to in this part shall be calculated on the basis of the commissioner's 1958 standard ordinary mortality table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that:

(a) such rate of interest shall not exceed 3 1/2% per annum, except that a rate of interest not exceeding 4% per annum may be used for policies issued on or after March 17, 1973, and prior to July 1, 1979, and a rate of interest not

exceeding 5 1/2% a year may be used for policies issued on or after July 1, 1979;

(b) for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than 6 years younger than the actual age of the insured;

(c) in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioner's 1958 extended term insurance table;

(d) for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the commissioner.

~~(2)~~ (3) After July 1, 1961, any insurer may file with the commissioner a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date (which shall be the operative date of this section for such insurer), this section shall become operative with respect to the ordinary policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this section for such insurer shall be January 1, 1966."

Section 5. Section 33-20-207, MCA, is amended to read:

"33-20-207. Industrial policies -- mortality tables. (1) This section does not apply to industrial policies issued on or after the operative date of [section 6].

~~(1)~~ (2) In the case of industrial policies issued on or after the operative date of this section as defined herein, all adjusted premiums and present values referred to in this part shall be calculated on the basis of commissioner's 1961 standard industrial mortality table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits provided that:

(a) such rate of interest shall not exceed 3 1/2% per annum except that a rate of interest not exceeding 4% per annum may be used for policies issued on or after March 17, 1973, and prior to July 1, 1979, and a rate of interest not exceeding 5 1/2% a year may be used for policies issued on or after July 1, 1979;

(b) in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioner's 1961 industrial extended term insurance table;

(c) for insurance issued on a substandard basis the calculations of any such adjusted premiums and present

values may be based on such other table of mortality as may be specified by the company and approved by the commissioner.

~~(2)~~(3) After February 22, 1965, any insurer may file with the commissioner a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1968. After the filing of such notice, then upon such specified date (which shall be the operative date of this section for such insurer), this section shall become operative with respect to the industrial policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this section for such insurer shall be January 1, 1968."

NEW SECTION. Section 6. Mortality tables -- interest rate adjusted premiums. (1) (a) This section applies to all policies issued on or after the operative date of this section. Except as provided in subsection (7), the adjusted premiums for any policy are calculated on an annual basis and must be such a uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments, special hazards, and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that

the present value, at the date of issue of the policy, of all adjusted premiums is equal to the sum of:

(i) the then present value of the future guaranteed benefits provided for by the policy;

(ii) 1% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

(iii) 125% of the nonforfeiture net level premium as provided in subsection (2). No nonforfeiture net level premium is considered to exceed 4% of either the amount of insurance, if the insurance is uniform in amount; or the average amount of insurance at the beginning of each of the first 10 policy years.

(b) The date of issue of a policy for the purpose of this subsection is the date as of which the rated age of the insured is determined.

(2) The nonforfeiture net level premium is equal to the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of such policy on which a premium falls due.

(3) For policies that have on a basis guaranteed in

the policy unscheduled changes in benefits or premiums or that provide an option for changes in benefits or premiums other than a change to a new policy, the adjusted premiums and present values are initially calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of the policy. At the time of any such change in the benefits or premiums, the future adjusted premiums, nonforfeiture net level premiums, and present values must be recalculated on the assumption that future benefits and premiums do not change from those stipulated by the policy immediately after the change.

(4) Except as otherwise provided in subsection (7), the recalculated future adjusted premiums for any such policy shall be such uniform percentage of the respective future premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments, special hazards, and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the time of change to the newly defined benefits or premiums, of all such future adjusted premiums shall be equal to the excess of:

(a) the sum of:

(i) the then present value of the then future guaranteed benefits provided for by the policy; and

(ii) the additional expense allowance, if any; over

(b) the then cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

(5) The additional expense allowance, at the time of the change to the newly defined benefits or premiums, is the sum of:

(a) 1% of the excess, if positive, of the average amount of insurance at the beginning of each of the first 10 policy years subsequent to the change, over the average amount of insurance prior to the change at the beginning of each of the first 10 policy years subsequent to the time of the most recent previous change or, if there has been no previous change, the date of issue of the policy; and

(b) 125% of the increase, if positive, in the nonforfeiture net level premium.

(6) The recalculated nonforfeiture net level premium is equal to the result obtained by dividing the product of subsection (a) by the product of subsection (b):

(a) (i) the nonforfeiture net level premium applicable prior to the change multiplied by the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of the change on which a premium would have fallen due had the change not occurred;

and

(ii) the present value of the increase in future guaranteed benefits provided for by the policy;

(b) the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

(7) Notwithstanding any other provisions of this section for a policy issued on a substandard basis that provides reduced graded amounts of insurance so that, in each policy year, such policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis that provides higher uniform amounts of insurance, adjusted premiums and present values for such substandard policy may be calculated as if it were issued to provide such higher uniform amounts of insurance on the standard basis.

(8) Except as provided below, all adjusted premiums and present values referred to in [this section, section 7, and Title 33, chapter 20, part 2] are for policies of ordinary insurance calculated on the basis of the commissioner's 1980 standard ordinary mortality table or, at the election of the insurer for any one or more specified plans of life insurance, the commissioner's 1980 standard ordinary mortality table with 10-year select mortality factors. All adjusted premiums and present values for

policies of industrial insurance are calculated on the basis of the commissioner's 1961 standard industrial mortality table. All adjusted premiums and present values for all policies issued in a particular calendar year are calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as provided in this subsection for policies issued in that calendar year; with the following exceptions and conditions:

(a) At the option of the insurer, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as provided in this subsection for policies issued in the immediately preceding calendar year.

(b) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by 33-20-202, is calculated on the basis of the mortality table and rate of interest used in determining the amount of such paid-up nonforfeiture benefit and paid-up dividend additions, if any.

(c) An insurer may calculate the amount of any guaranteed paid-up nonforfeiture benefit, including any paid-up additions under the policy, on the basis of an interest rate no lower than that specified in the policy for

calculating cash surrender values.

(d) In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioner's 1980 extended term insurance table for policies of ordinary insurance and not more than the commissioner's 1961 industrial extended term insurance table for policies of industrial insurance.

(e) For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on appropriate modifications of the tables set forth in subsection (8).

(f) Any ordinary mortality tables adopted after 1980 by the national association of insurance commissioners that are approved by the commissioner by rule for use in determining the minimum nonforfeiture standard may be substituted for the commissioner's 1980 standard ordinary mortality table with or without 10-year select mortality factors or for the commissioner's 1980 extended term insurance table.

(g) Any industrial mortality tables adopted after 1980 by the national association of insurance commissioners that are approved by the commissioner by rule for use in determining the minimum nonforfeiture standard may be

substituted for the commissioner's 1961 standard industrial mortality table or the commissioner's 1961 industrial extended term insurance table.

(9) The nonforfeiture interest rate per annum for any policy issued in a particular calendar year must be equal to 125% of the calendar year statutory valuation interest rate for such policy as defined in the standard valuation law, Title 33, chapter 2, part 5, rounded to the nearer 1/4 of 1%.

(10) Notwithstanding any other provision in this code to the contrary, any refiling of nonforfeiture values or their methods of computation for any previously approved policy form that involves only a change in the interest rate or mortality table used to compute nonforfeiture values does not require refiling of any other provisions of that policy form.

(11) After October 1, 1983, any insurer may file with the commissioner a written notice of its election to comply with the provisions of this section after a specified date, before January 1, 1989, which is the operative date of this section for such insurer. If an insurer makes no such election, the operative date of this section for such insurer is January 1, 1989.

NEW SECTION. Section 7. Determination of nonforfeiture values for special plans. For a plan of life

insurance that provides for future premium determination the amounts of which are to be determined by the insurer based on then estimates of future experience or for a plan of life insurance that is of such a nature that minimum values cannot be determined by the methods described in [33-20-204 through 33-20-207 and section 6]:

(1) the commissioner must be satisfied that the benefits provided under the plan are substantially as favorable to policyholders and insureds as the minimum benefits otherwise required by [33-20-204 through 33-20-207 and section 6];

(2) the commissioner must be satisfied that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insureds; and

(3) the cash surrender values and paid-up nonforfeiture benefits provided by such plan may not be less than the minimum values and benefits required for the plan computed by a method consistent with the principles of this part, as determined by rules promulgated by the commissioner.

Section 8. Section 33-20-211, MCA, is amended to read:

"33-20-211. Calculation of values -- other requisites. (1) Any cash surrender value and any paid-up nonforfeiture benefit available under the policy in the event of default

in a premium payment due at any time other than on the policy anniversary shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary.

(2) All values referred to in [33-20-203 through 33-20-207 and section 6] may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death.

(3) The net value of any paid-up additions, other than paid-up term additions, shall be not less than the ~~dividends~~ amounts used to provide such additions.

(4) Notwithstanding the provisions of subsections (1) and ~~(2)~~ (3) of 33-20-203, additional benefits payable under the following circumstances shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this part, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits:

(a) in the event of death or dismemberment by accident or accidental means;

(b) in the event of total and permanent disability;

(c) as reversionary annuity or deferred reversionary annuity benefits;

(d) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a

separate policy, this part would not apply;

(e) as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is 26, is uniform in amount after the child's age is 1, and has not become paid up by reason of the death of a parent of the child; and

(f) as other policy benefits additional to life insurance and endowment benefits and premiums for all such additional benefits."

NEW SECTION. Section 9. Additional rules for calculating cash surrender values. (1) This section, in addition to all other applicable sections of this chapter, applies to all policies issued on or after January 1, 1987. Any cash surrender value available under the policy upon default in a premium payment due on any policy anniversary is an amount that does not differ by more than 2/10 of 1% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years subtracted from the sum of:

(a) the greater of zero and the basic cash value specified in subsection (2); and

(b) the present value of any existing paid-up additions less the amount of any indebtedness to the insurer

under the policy.

(2) The basic cash value is equal to the present value, on such anniversary, of the future guaranteed benefits that would have been provided for by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the insurer, if there had been no default less the then present value of the nonforfeiture factors, as provided in subsection (3), corresponding to premiums that would have fallen due on and after such anniversary date. However, the effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in 33-20-203 or 33-20-204, whichever is applicable, are the same as the effects specified in 33-20-203 or 33-20-204, whichever is applicable, on the cash surrender values defined in that section.

(3) The nonforfeiture factor for each policy year is an amount equal to a percentage of the adjusted premium for the policy year, as defined in 33-20-204 or [section 6], whichever is applicable. Except as is required by subsection (4), the percentage:

(a) must be the same percentage for each policy year between the second policy anniversary date and the later of the fifth policy anniversary date and the first policy anniversary date at which there is available under the

policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least 2/10 of 1% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

(b) must be such that no percentage after the later of the two policy anniversary dates specified in subsection (3)(a) applies to less than 5 consecutive policy years.

(4) No basic cash value may be less than the value that would be obtained if the adjusted premiums for the policy, as provided in 33-20-204 or [section 6], whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

(5) Adjusted premiums and present values referred to in this section must, for a particular policy, be calculated on the same mortality and interest bases as are used in demonstrating the policy's compliance with the other sections of this part. The cash surrender values referred to in this section include any endowment benefits provided for by the policy.

(6) A cash surrender value available other than upon default in a premium payment due on a policy anniversary date and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a

premium payment are determined consistently with provisions specified for determining the analogous minimum amounts in 33-20-202 through 33-20-204, [section 6], and 33-20-211. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed in 33-20-211(4) must conform with the principles of this section.

Section 10. Section 33-20-212, MCA, is amended to read:

"33-20-212. Exceptions. (1) This part ~~shall~~ does not apply to: ~~any~~

(a) reinsurance;

(b) group insurance;

(c) a pure endowment;

(d) an annuity or reversionary annuity contract;

(e) ~~or to any~~ a term policy of uniform amount, that provides no guaranteed nonforfeiture or endowment benefits, or renewal thereof, of ~~15~~ 20 years or less expiring before age 66 (1) for which uniform premiums are payable during the entire term of the policy;

(f) ~~or to any~~ a term policy of decreasing amount that provides no guaranteed nonforfeiture or endowment benefits, on which each adjusted premium, calculated as specified in [33-20-204 through 33-20-207 and section 6], is less than the adjusted premiums so calculated on a term policy of

uniform amount or renewal thereof which provides no guaranteed nonforfeiture or endowment benefits issued at the same age and for the same initial amount of insurance for a term defined as follows and for a term of 20 years or less expiring before age 71 for which uniform premiums are payable during the entire term of the policy:

(1) For ages at issue 50 and under the term shall be 15 years.

(2) Thereafter the term shall decrease 1 year for each year of age beyond 50.

(g) A policy which provides no guaranteed nonforfeiture or endowment benefits for which the cash surrender value if any or present value of any paid-up nonforfeiture benefit at the beginning of any policy year calculated as specified in [33-20-203 through 33-20-207 and section 6] does not exceed 2.5% of the amount of insurance at the beginning of the same policy year;

(h) A policy that is delivered outside this state through an agent or other representative of the insurer issuing the policy.

(2) For purposes of subsection (1) the age at expiry for a joint term life insurance policy is the age at expiry of the oldest life."

NEW SECTION. Section 11. Codification instruction. Sections 6, 7, and 9 are intended to be codified as an

integral part of Title 33, chapter 20, part 2, and the provisions of Title 33 apply to sections 6, 7, and 9.

-End-

REP. ELLISON: What percentage of the policy statewide is actually loaned back to the policy holder:
REP. KITSELMAN: I sold two one million dollar policies which had premiums of $53,000. After it was done, he only had to come up with $8,000 out of his pocket. It has no relation to the face amount unless it's an endowment policy.
REP. JENSEN: What percentage of the face value can you borrow against the policy? REP. KITSELMAN: At the 6% rate you can borrow up to 94% of the cash value. There is no relation to the face amount of the policy.
REP. METCALF: On page 3, subsection 5 it provides for notifying the policy holder if the interest rate increases but it says nothing about notifying if the rate goes down. Why?
ED ZIMMERMAN, American Council of Life Insurance: Advance notice should be given if the rate is going to increase so a policy holder can look elsewhere. If the rate is going down, the policy holder will just be pleasantly surprised when they get their regular notice.
REP. METCALF: You could take a loan out on a current policy and it would apply?
Mr. Lobel: No. this is just on "new" policies.
REP. KITSELMAN: There cannot be any changes on a policy once you are accepted as a risk. It's a contract.

HOUSE BILL 592 and HOUSE BILL 572

REP. KITSELMAN, District 60, sponsor, opened by saying these two bills go together and one will not work without the other. House Bill 572 revises the provisions and mathematical formulas used in the valuation for all insurance policies. House Bill 592 revises the provisions of the standard non-forfeiture clause required to be included in life insurance policies issued in Montana.

PROPONENTS:

WILLIAM CARROLL, American Council of Life Insurance, said these bills set the standards and interest rates actuaries must follow. Because we live longer, a new mortality table has been introduced into this bill. Also, the interest rates are being changed. Currently, the interest rate allowable is 4% and for forfeitures it's 5%. These seem low. It takes a while for the company to see that these rates are out of line. We have a system for automatically changing the rates in the future. It doesn't set the interest rates equal to the index. It gets a weighted average. The affect of this lowers the cost of insurance to the consumer. We won't have to hold reserves as they will come from the premiums. This makes it possible to lower the premiums.

NORMA SEIFFERT, Montana Insurance Department, said they would like to recommend "do pass" on these bills.

ED HAUSKEN, Montana Association of Life Underwriters, said they strongly encourage passage of these bills.

QUESTIONS:

REP. JENSEN: If these bills must go together, why weren't they they one bill? Mr. Loble: These affect two parts of the insurance code and the law says you have to deal with each subject separately.
REP. METCALF: On page 2, line 10 of HB 572 you refer to the operative date...
Mr. Carroll: There is a need for a reference to the operative date which appears in HB 592, page 20, subsection 11.
The idea is to give until 1989 as the outside operative date to implement this.

EXECUTIVE SESSION

HOUSE BILL 572
REP. FABREGA: I move to amend the operative date to coordinate with HB 592. Question: Motion carried unanimously.
REP. FAGG: I move DO PASS AS AMENDED HOUSE BILL 572.
Question: Motion carried unanimously.

HOUSE BILL 571
REP. FAGG: I move DO PASS HOUSE BILL 571.
Question: Motion carried unanimously.

HOUSE BILL 592
REP. FABREGA: I move DO PASS HOUSE BILL 592.
Question: Motion carried unanimously.

HOUSE BILL 563
REP. FABREGA: I move DO NOT PASS. The fiscal impact is great. I seriously doubt it would give that much more business to overcome the fiscal impact. 5% gross takes 25% volume to make up.
REP. PAVLOVICH: I move a substitute motion DO PASS. There is a fiscal impact but there are also people in the state who are bootlegging liquor into the state because it's cheaper. A 10% discount would stop alot of that. I would like to suggest an amendment which would give a 10% discount on a $500 purchase on unbroken cases.
REP. FAGG: That would be a break for the guy who can write big checks.
REP. BACHINI: I don't feel Malmstrom should get a 20% discount. They are in direct competition to Great Falls.
REP. FABREGA: I am going to have a talk with the folks at Malmstrom and tell them I think this should stop.
REP. ELLERD: I have a problem with this bill. Every year they ask for an discount. If they get it, their prices won't come down.
REP. PAVLOVICH: If I owned a bar in Bozeman or Billings it would be different. I don't get the price they do - I can't.
REP. FABREGA: I could see a 10% discount where they are over quota.
REP. PAVLOVICH: There were 221 licenses with a population of 60,000. We are now at 38,000 and we have 37 all-beverage licenses. Beer is going to go up 30-40 cents a case. There is no way I can charge $1.05 for a beer.

STANDING COMMITTEE REPORT

February 8 19 83

SPEAKER:

MR. .....

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE Bill No. 592

first reading copy (white color)

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE MONTANA INSURANCE CODE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; AMENDING SECTIONS 33-20-202 THROUGH 33-20-204, 33-20-206, 33-20-207, 33-20-211, AND 33-20-212, MCA."

Respectfully report as follows: That HOUSE Bill No. 592

DO PASS

JERRY METCALF Chairman.

COMMITTEE SECRETARY

STATE PUB. CO.
Helena, Mont.

VISITOR'S REGISTER

HOUSE _____ COMMITTEE

BILL HB 592 DATE _____

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
C Hansen	Helena	Mt Assn Fin, Bnd	✓	
Ed Zimmerman	Washington, D.C.	Amer. Council of Life Ins.	✓	
William Carroll	" "	" "	✓	
LGS Lodge II	Helena MT	" "	✓	
Norman Seffert	" "	Mont Soc. Dept	✓	
Jerry Ford	" "	Mont Soc Dept	—	
Jayne Mahlstedt	" "	"	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33
1-83

Senator Christiaens asked are you aware then almost all retail installment contracts are going simple interest and why do you feel you have to be the exception here? Senator Goodover stated there is a law in effect in Montana since 1977 that gives the purchaser of the policy the option of making the payments in advance or at the end of the year. That insurance companies want the money in advance so then they can invest it for 14-18%. That is on the books at the present time unless one of these bills repeals it. Ms. McGrath stated no.

Senator Gage asked do you anticipate companies will issue under the fixed and variables? Ms. McGrath stated yes.

In closing, Representative Kitselman stated this is permissive and offers another form of loan to the consumer. It is accepted in Wyoming and Idaho and he knows some agents who cross the Wyoming border to sign the policy and as far as the consumer goes we should offer them this type of policy.

The hearing was closed on House Bill 571.

CONSIDERATION OF HOUSE BILLS 572 and 592: An act to amend the Montana Insurance Code Standard Valuation Law.

An act to generally revise the Montana Insurance Code Standard Nonforfeiture Law for life insurance.

Representative Kitselman stated this changes the Commissioners ordinary standard table from 1958 to 1980 and has some other change in the annuity morbidity table.

PROPONENTS TO HOUSE BILL 572 and 592: Bill Carroll stated he is on the staff of the American Council of Life Insurance. House Bill 572 amends your standard valuation law and House Bill 592 amends the nonforfeiture law. As Senator Regan's graph indicates the simplest type is term insurance. The company has no need to save up money of this premium. In whole life it becomes necessary for the company to set up portions of the premiums so that in later years when the premium is not enough the interest on that fund will be sufficient to keep going. The formula is complicated. They do not want to set the reserves so high that the premium becomes a burden. This updates the interest rates, updates the morbidity table, and grants permission to update the tables.

Elmer Hausken stated he supports House Bill 572.

Louise Ford stated she works with the filing of rates and forms. There are no objections to the bills. It is in the best interest of the consumer.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE: Senator Christiaens asked would you explain to me on page 2 of this bill, section (i), line 11, where we are talking about female risks? Mr. Carroll stated this bill does set valuation standards and does set specific mortality tables to set minimum standard

for reserves they hold. The 1980 tax is sex distinct which means there is a separate table for males and a separate table for females. Mr. Loble pointed out that is existing law.

Senator Regan asked in view of Article 2, section 4, you are charged with the regulating of insurance companies and I assume you took the oath of office to uphold the Constitution. If you read Article 2, section 4, neither the state nor any firm shall discriminate against any person on the basis of sex. Have you pointed out this problem to the insurance companies? Mrs. Seiffert stated I don't feel it is discriminatory. It is based on an actuarial basis. I feel it would be reverse discrimination to charge women more because their mortality rate is different.

In closing, Representative Kitselman urged passage of these bills.

The hearing was closed on House Bills 572 and 592.

ADJOURN: There being no further business, the meeting was adjourned at 11:10 a.m.

ALLEN C. KOLSTAD, CHAIRMAN

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ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983 DATE 3-11-83

NAME	PRESENT	ABSENT	EXCUSED
PAUL F. BOYLAN	✓		
B. F. CHRIS CHRISTIAENS	✓		
HAROLD L. DOVER	✓		
DAVID FULLER	✓		
DELWYN GAGE	✓		
PAT M. GOODOVER	✓		
GARY P. LEE, VICE CHAIRMAN	✓		
PAT REGAN	✓		
PAT M. SEVERSON	✓		
ALLEN C. KOLSTAD, CHAIRMAN	✓		

SUBMITTED BY: Lester H. Loble, II, 3/11/83, EXHIBIT NO. 4

HB592 -- TO AMEND STANDARD NONFORFEITURE LAW
SPONSORED BY KITSELMAN, HARPER AND YARDLEY

This bill amends the law relating to nonforfeiture, that is, benefits which cannot be forfeited when an insured terminates his life insurance policy.

--It changes the interest rate which is assumed to be the rate of return which the insurance company earns on the investments it has made to fund payment of policy benefits.

--The basic interest rate used in the Moody's Composite Average Yield on Corporate Bonds. The bill links the assumed rate of interest to the Moody's composite in a weighted fashion, so that changes in the assumed rate are smaller than changes in Moody's but follows the same trend.

--This bill will keep nonforfeiture laws current with current economic conditions; it also strikes the necessary balance between the policyholder who terminates his policy and the one who does not. It requires that he receive fair benefits upon termination, but not benefits that will penalize the remaining policyholders who keep their policies in force.

--This is a model bill, adopted and supported by the National Association of Insurance Commissioners.

--It is supported by the Montana Insurance Commissioner.

--It is supported by the Montana Association of Life Underwriters.

--It received a unanimous "DO PASS" recommendation from the House Business and Industry Committee, passed 80-3 on House second reading and 90-7 on House third reading.

Please recommend "BE CONCURRED IN" on HB 592.

DATE

COMMITTEE ON BUSINESS & INDUSTRY 2-11-83

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Louise Ford	MT Ins Dept	571, 572 592	✓	
Norma Heiffernan	MT Ins Dept	571, 572, 592	✓	
Maureen McGrath	American Council of Life Insurance	571	✓	
William Carroll	" " " "	571, 572 592	✓	
Gordon Bruce	MT Ins Dept	571-572 592		
Sara Mitchell	Mont Ins Dept	571 572 592		
Joe Lenihan	Dept of Ag	HJR 18	✓	
EUGENE PHILLIPS	PACIFIC POWER & LIGHT	HJR 18	✓	
Howard M Jordan	Myself	HJR 18	✓	
ELMER HAUSKEN	MT ASSN LIFE UND	HB 571 572 592	✓	
ROGER McGLENN	INDEPENDENT INSURANCE AGENTS ASSOCIATION OF MT.	HB 571-572 592-HJR 16	✓	

(Please leave prepared statement with Secretary)

(This sheet to be used by those testifying on a bill.)

NAME: LESTER H. LOBLE II DATE: 3/11/83

ADDRESS: POB 176 Helena MT 59624

PHONE: 442 0070

REPRESENTING WHOM? American Council of Life Insurance

APPEARING ON WHICH PROPOSAL: HB 571, HB 572, HB 592

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: ELMER HAUSKEN DATE: 3/11/83

ADDRESS: PO Box 617 HELENA, MT 59624

PHONE: Off 443-6301 Home 442-8319

REPRESENTING WHOM? MT ASSN CLFE UND

APPEARING ON WHICH PROPOSAL: HB 571 HB 572 HB 592

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT: THESE BILLS ARE BENEFICIAL TO THE INSURANCE CONSUMER BY ESTABLISHING BETTER ECONOMIC BASES FOR RATE STRUCTURES, UPDATING WITH CURRENT CSO TABLES ~~ERRORS~~ FOR EXAMPLE

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Louise Ford DATE: 3-11-83

ADDRESS: State Auditor - Insurance Dept

PHONE: 449-2996

REPRESENTING WHOM? Dept

APPEARING ON WHICH PROPOSAL: 571, 572, 592

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: William Carroll DATE: 3/11/

ADDRESS: 1850 K ST NW Washington DC

PHONE: 202-862-4162

REPRESENTING WHOM? American Council of Life Insurance

APPEARING ON WHICH PROPOSAL: HB-572-592

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

the motion.

The Committee voted unanimously, by voice vote, that SENATE JOINT RESOLUTION 19 BE ADOPTED.

ACTION ON HOUSE BILL 572: Senator Dover made the motion that we accept the Statement of Intent to House Bill 572. (Exhibit No. 5) Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that the STATEMENT OF INTENT BE ADOPTED.

Senator Dover made the motion that House Bill 572 As Amended Be Concurred In. Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 572 AS AMENDED BE CONCURRED IN.

Senator Crippen will carry this bill on the floor.

ACTION ON HOUSE BILL 592: Senator Dover made the motion that the Statement of Intent to House Bill 592 Be Adopted. (Exhibit No. 6) Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that the STATEMENT OF INTENT TO HOUSE BILL 592 BE ADOPTED.

Senator Dover made the motion that House Bill 592 As Amended Be Concurred In. Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 592 AS AMENDED BE CONCURRED IN.

Senator Crippen will carry this bill on the floor.

ACTION ON HOUSE BILL 571: Senator Regan made the motion that House Bill 571 Be Not Concurred In. Senator Goodover seconded the motion.

The Committee voted 6-4 with Senators Gage, Boylan, Dover and Severson voting no, that HOUSE BILL 571 BE NOT CONCURRED IN.

Senator Kolstad will carry this bill on the floor.

ADJOURN: There being no further business, the meeting was adjourned at 11:45 a.m.

ALLEN C. KOLSTAD, CHAIRMAN

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ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983 DATE 3-17-83

NAME	PRESENT	ABSENT	EXCUSED
PAUL F. BOYLAN	✓		
B. F. CHRIS CHRISTIAENS	✓		
HAROLD L. DOVER	✓		
DAVID FULLER	✓		
DELWYN GAGE	✓		
PAT M. GOODOVER	✓		
GARY P. LEE, VICE CHAIRMAN	✓		
PAT REGAN	✓		
PAT M. SEVERSON	✓		
ALLEN C. KOLSTAD, CHAIRMAN	✓		

STANDING COMMITTEE REPORT

March 17 19 83

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE Bill No. 592

KITSELMAN (CRIPPEN)

Respectfully report as follows: That HOUSE Bill No. 592

"STATEMENT OF INTENT ATTACHED"

~~XXXXXX~~

. . . C O N T I N U E D . . .

Chairman.

STATE PUB. CO.
Helena, Mont.

March 17 19 83

House Bill 592

STATEMENT OF INTENT

A Statement of Intent is required for this bill in that it delegates rulemaking authority to the Commissioner of Insurance in Section 6 and 7.

Although 33-1-313, MCA, delegates to the Commissioner of Insurance rulemaking authority to effectuate any provisions of the Code, as this bill substantially increases this power, a Statement of Intent is required.

Section 6 (8)(g) empowers the Commissioner of Insurance to approve by regulation new mortality tables.

Section 7 allows the Commissioner of Insurance to promulgate regulations pertaining to those plans of life insurance not included in the original Nonforfeiture Law. Such regulations would define minimum cash values and other nonforfeiture values.

AND, AS SO AMENDED,

BE CONCURRED IN

ALLEN C. KOLSTAD, Chairman.

STATE PUB. CO.
Helena, Mont.

STATEMENT OF INTENT

HB 592

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